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The author in making this objection seems to require a mathematical exactitude and will not accept the faculty theory as indicating the general direction in which taxation should proceed.

Under the caption of "the socio-political theory" are examined the notions of those writers, mostly socialists of the chair, who have advocated the use of progressive taxes to diminish the inequalities of the distribution of wealth. But progressive taxation cannot be regarded as a socialistic scheme of spoliation since "every tax not assessed according to the cost of the service rendered brings about a kind of confiscation and affects the distribution of wealth" (p. 522). It is not clear, however, how the use of a fiscal measure for the leveling of incomes can be justified. Yet the author does not explain and hastens on to compensatory theories which he rejects because of the well-known criticism that they involve the impossibility of determining the incidence and effects of all taxes.

The preceding theories having failed to furnish an exact principle for the distribution of the tax burden the author concludes (p. 622) that it is useless to pursue them farther and turns to theories not based upon justice, chief among which is that of Achille Loria. According to his theory the rich and powerful have always tended to shoulder taxes off upon the weak; but with the increase of wealth capital consents to its own taxation to avoid a rise of wages and to eliminate the small proprietor. In a developing economy taxes are so placed that the weaker classes pay in part for the service that benefits the capitalist, but "when wages and the profits of small capitalists have been reduced to a minimum neither the laborers nor the small capitalists can bear the tax. Then the rôles are inverted and a part of the benefits enjoyed by these classes is paid for by the great capitalists and taxation becomes necessarily progressive" (p. 650). M. Suret accepts this theory as a whole but admits that it gives no ready made plan for the distribution of taxes. With certain minor modifications he believes that in considering the possibility of any tax it is necessary to ascertain what distribution of burdens will be the most acceptable to the preponderant class, the most productive of revenue and least objectionable to the subject classes (p. 662).

Aside from the fact that progressive taxes have appeared in America, Australia, and probably other countries before wages reached a subsistence basis or capital a no-profit stage the proposition here advanced is quite as unworkable as it is historically unreliable. One cannot conceive of a tax system worked out on the basis of relative class strength and, so far as this study is concerned, the justification of any particular form of taxation remains an unsettled problem, though the emphasis placed by the author on the necessity for studying the materialistic bases of taxation is to a considerable extent justified.

THE UNIVERSITY OF CHICAGO

F. B. GARVER

Wholesale Prices in Canada, 1890-1909. By R. H. COATS, Special Report of Labor Department. Ottawa: Government Printery Bureau, 1910. 8vo, pp. xiv+509.

A report of which the object is to demonstrate the nature and extent of the general rise in prices assumes importance in these years of the so-called

"high cost of living." The method followed in this work was to select a comprehensive list of staple commodities, and to trace the course of prices month by month back to 1890, and then to interpret and measure the movements of prices as a whole and in the more important departments.

Part I gives the records of actual price quotations, *i.e.*, the actual statistical matter or groundwork, of the whole report. Part II gives average annual prices expressed in the form of index numbers and thus enables price fluctuations of various goods to be compared; and part III is composed of charts to show the most important features of the price movements in the past twenty years.

The chart shows that the highest point of all prices was reached in 1907. From 1890-97 prices tended downward, then rapidly rose up to 1907, fell again in 1908, and began to rise in 1909.

Agricultural products seem to show the largest increase in prices—37 per cent for crude farm products, and 34 per cent for products manufactured therefrom. Prices of important foods are lower, however. Fish products show nearly as great an increase, while mineral products have risen only slightly, and are lower if coal be excluded. Canadian manufactured goods are 14 per cent dearer, especially lumber, which has risen 50 per cent. All foods are 26 per cent dearer; as compared with prices for the base decade, 1890-99, 76 per cent of the articles have advanced in price; 50 per cent have advanced over 1890, and 80 per cent over 1897.

The charts are followed by several appendices. The first deals with the construction of an index number for Canada, which can be carried forward monthly in the *Labour Gazette*. The report is confined to wholesale prices, because of their greater availability and accuracy, and because they are a sufficient index to living expenses, and a better barometer of industrial and commercial change. The selection of commodities is as representative, diversified, and comprehensive of Canadian production and consumption as possible, manufactured goods with the exception of highly specialized forms being included. Duplication has been avoided, yet several important articles such as wheat have been indirectly represented more than once. Altogether 230 articles divided into 13 general groups are quoted, the quotations being chiefly obtained from daily newspapers and trade journals, and verified by representative firms. The report takes account of different qualities of goods. This is important since Canada has as yet few fixed standards. The base period 1890-99 is selected because it is a period of fast falling and later rising prices, and because the same period was used by the United States Department of Commerce and Labor, under similar circumstances. To obtain the aggregate result, the simple arithmetic mean was used. Although weighting is theoretically favored yet it is considered unimportant in practice. The differences between various methods is slight. The unweighted measure was adopted as more simple and quite accurate enough since the list of articles is sufficiently extended and distributed to overcome the need for weighting and since there has been, in Canada, no such violent interruptions of normal economic conditions as to make it necessary.

In a second appendix British and foreign index numbers are placed at the

disposal of the Canadian public in accessible form by a statement of the object of the number, its history, method, and results.

Following this are treated the leading causes of the recent price variations, special emphasis being laid on Canadian industrial expansion and deterred productivity, the heavy expenditure of borrowed capital in enterprises not yet productive. The effects upon both production and consumption are considered, and it is shown that wages and prices have been following each other in an unending spiral.

Thus a beginning has been made for the carrying forward of the index number monthly in the *Labour Gazette* in order to perform a service which will be beneficial and instructive to the Canadian public and its legislators.

W. J. DONALD

THE UNIVERSITY OF CHICAGO

Socialistic Fallacies. By YVES GUYOT. New York: Macmillan, 1910. 8vo, pp. 343. \$1.50.

The scholar in his study, the business man in his office, and the politician in the midst of a heated and probably none too consistent debate cannot but view a vital present-day problem through differently colored glasses. It is not surprising, then, that M. Guyot, student and business man, 'tis true, but pre-eminently publicist and politician, who for years has uncompromisingly opposed the growing forces of socialism, not only in France, but in all Europe, should now treat his subject "Socialistic Fallacies" in much the same manner as he would have done through the columns of *Le Siècle*, or from the political platform.

Following an interesting preface to the English edition, M. Guyot, in nine books, sketches "Utopias and Communist Experiments," "Socialistic Theories," "The Postulates of German Socialism," "The Distribution of Capital," "the Distribution of Industries," "Inconsistencies of Scientific Socialism," "Collectivistic Organization," "The Actual Class War," and "Socialism and Democracy." The author brings his immense fund of knowledge to bear on these subjects, which are treated in his usual jaunty, forceful style, enlivened by irony, proving a pleasing and effective contrast to his general statistical method. "Scientific Socialism," he concludes, "has no real existence from the historical, economic, or psychological point of view"; "the trades union is an anarchistic association carrying on its business in accordance with the views of those who conduct it"; while communism is "a word which merely serves to amuse one category of simpletons, and to terrify another, playing the same parts as the words 'Paradise' and 'Hell.'"

M. Guyot's treatment of "Socialistic Fallacies" is far from being scientific. In spite of undoubted merit in many respects, there is lacking unity, coherency, and evenness. The work conveys an impression of scrappiness. In some cases looseness of expression amounts to absolute inaccuracy. While admitting the evils of American trade-unionism, we can assure M. Guyot that all our unions are not as lawless and tyrannical as he has concluded from the evidence of the Haywood trial, and that the majority of them repudiate socialism.